

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1897 - SB 2029**

March 9, 2009

**SUMMARY OF BILL:** Requires the Division of Energy, within the Department of Economic and Community Development (ECD), to establish a pilot program in Sullivan County for the development and testing of coal to liquid fuels technology, coal to carbonite production techniques, and conversion technology. Requires the pilot program to terminate on July 1, 2012.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures –**  
**\$200,000/FY09-10**  
**\$150,000/FY10-11**

**Assumptions:**

- The pilot project will occur in Sullivan County.
- Staff members from Northeast State Community College (NSCC) would provide direction and guidance as required.
- ECD indicates that very specialized knowledge and expertise would be required for any coal to liquid fuels technology pilot project.
- NSCC does not have personnel with the necessary expertise or credentials for directing a coal to liquid fuels technology pilot project. As a result, NSCC would have to employ an individual with such specialized expertise and knowledge.
- The Division of Energy would be responsible for funding a grant to NSCC that would be sufficient for covering the compensation of the director and any necessary operating expenses.
- Based on information provided by ECD, the increase to state expenditures for the necessary grant funding is estimated to be \$200,000 in FY09-10 and \$150,000 in FY10-11.

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**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc